

(UT-923)

United States Department of the Interior



BUREAU OF LAND MANAGEMENT Utah State Office P.O. Box 45155 Salt Lake City, UT 84145-0155 http://www.blm.gov

IN REPLY REFER TO: 3590 UTU-72699 OCT 0 2 2006

CERTIFIED MAIL--Return Receipt Requested

Mr. Jim Lekas Lexco, Inc. P.O. Box 1198 582 North Vernal Avenue Vernal, Utah 84078

Re: Mining Plan Modification Approval for changing pillar sizes between mine stopes, Federal Gilsonite Lease UTU-72699.

Dear Mr. Lekas:

MINING PLAN MODIFICATION APPROVAL

Background- During a quarterly inspection on June 28, 2006, LEXCO requested that the pillar sizing be changed from 10 feet wide to 15 feet wide (deep) because of increasing ground pressures due to the depth of mining.

As stated in the inspection report for the June 28, 2006 inspection report the vein was starting to "pop" indicating that the wall pressures were increasing. By increasing the barrier pillar by 5 additional feet this should alleviate this problem.

<u>Approval</u>- BLM approves changing the barrier pillar size from 10 feet to 15 feet wide to help alleviate the concentrated wall pressures.

<u>NEPA</u> There is no surface disturbance due to this action and therefore this action is Categorically Excluded (CX) under DM 518 chapter 11, paragraph F. (8) Approval of minor modifications to or minor variances from activities described in an approved underground or surface mine plan for leasable minerals. (e.g., change in mining sequence or timing.)

OCT 0 3 2006

Bond- There is no change in the bond amount.

<u>Ultimate Maximum Recovery (UMR)</u> - This change will ensure UMR of the gilsonite resource by making it possible to continue extracting the ore in the vein. This modification is in accordance with the Mineral Leasing Act of 1920 as amended.

For further information contact Mr. Stan Perkes, (801) 539-4036.

Sincerely,

/S/ Jeff McKenzie

James F. Kohler Chief, Solid Minerals Branch

bcc: Central Files

Vernal Field Office

Utah Division of Oil, Gas, and Mining (Attn. Paul Baker) P.O. Box 145801, Salt Lake

City, Utah, 84114-5801 Mine Files - UTU-72699

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